GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Agriculture and Co-operation Department – Horticulture – Oil Palm – Fixation of Formula for the Pricing of Oil Palm Fresh Fruit Bunches for the Period **1st November 2015 to 31st October 2016** – Orders – Issued.

AGRICULTURE AND COOPERATION (HORTI. & SERI.) DEPARTMENT

G.O.MS.No. 6 Dated: 19-01-2016

Read the following

:-

1) From the Under Secretary, Government of India, Ministry of Agriculture, Agriculture and Co-operation Department Lr. F. No : 12/22/2010 (TMOP)-376, dt.13.08.2013.
2) From Dy. Secretary, Government of India, Ministry of Agriculture, Agriculture and Co-operation Department Lr. Dt.07.11.2013.
3) G.O.Rt.No.10, dated 05.01.2015, A & C (Horti. & Seri.) Dept. GoAP.
4) GO Ms. No. 2, dated 18.02.2015, A& C (Horti. & Seri.) Dept, Govt. of A.P.
5) Minutes of the Meeting held on 21.12.2015 with Selected Committee members from the Oil palm Developers and Processors Association and AP State Oil Palm Farmers welfare Association under the chairmanship of Hon'ble Minister for Agriculture, Horticulture, Govt. of A.P.

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ORDER :

For the regulation of the Production and processing of the Oil Palm, the Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act was enacted on 23.01.1993 where in under section 13(1) of the act, the Government is empowered on their own to fix the minimum Price to the Oil Palm Fresh Fruit Bunches (FFBs) or may be authorized to the Oil Palm Commissioner to do so, subject to such guidelines as may be given in that regard from time to time.

2. In the reference 1st read above, the Government of India recommended the formula for pricing of Fresh Fruit Bunches (FFBs) of Oil Palm as follows :

"13.54 percent of net Crude Palm Oil (CPO) weighted average price, based upon 18% Oil Extraction Ratio (OER), plus 75.25 percent on 9% recovery of palm kernel nuts weighted average price. Any variation in OER would result in change in the pricing formula in respect of percent of net CPO weighted average price to be paid to the Oil Palm growers as per Table given below : -

"The OER would be determined as per actual Oil content extracted in the past by the processing industry, as established by the State Government concerned"

The Table mentioned above is as follows :

S. No.	OER %	Percentage of net CPO weighted average Price 75:25
1	14.00	10.53
2	14.50	10.91
3	15.00	11.29

4	15.50	11.66
5	16.00	12.04
6	16.50	12.42
7	17.00	12.79
8	17.50	13.17
9	18.00	13.54
10	18.50	13.92
11	18.70	14.07
12	19.00	14.30
13	19.50	14.67
14	19.70	14.82
15	20.00	15.05
16	21.00	15.80
17	22.00	16.55
18	23.00	17.31
19	24.00	18.06

3. The Government of India, Ministry of Agriculture and Co-Operation Department vide letter 2nd read above, has directed the State Governments to go ahead with the operationalization of the pricing formula for Fresh Fruit Bunches (FFBs) as per recommendation by the Government of India vide letter 1st read above.

4. In the Joint meeting held on 21.12.2015 with Committee Members from the Oil Palm Developers and Processors Association, A.P. Oil Palm Farmers Welfare Association and VC & MD AP Oil Fed in the Committee Hall 3 of AP Legislative Assembly under the chairmanship of Hon'ble Minister for Agriculture and Horticulture, after elaborate discussions with the processors and farmers, keeping in view of the low price of FFB realized by farmers during the previous oil year due to fall in CPO prices, the Processors Association have agreed for additional OER% over and above the OER% obtained at AP Oil Federation Processing unit, Peddavegi. Accordingly, it has been agreed to adopt the OER% of 17.31% being the average of last year OER % of 17.55% and 17.06% OER % of 2014-15 Oil year at AP Oil Federation Processing unit, Peddavegi, West Godavari district, in the price fixation formula for the oil year 2015-16 i.e. with effect from 1st November 2015 to 31st October 2016. It is also decided to adopt the Nut percentage of 9.76% obtained at AP Oil Federation Processing unit, Pedavegi, West Godavari district in the formula.

5. Further, it is also decided to adopt exclusively the OER% achieved at AP Oil Federation Processing unit, Peddavegi in future wef. 2016-17 oil year onwards.

6. The quantity of FFB processed and the CPO obtained at Pedavegi unit of A.P. OILFED for the Oil Year 2014-15 is as follows:

S. No.	Month	Qty of FFB processed MTs	Qty. of CPO obtained MTs	Kernel Recovery (MT)	CPO Recovery (OER)%	Kernel Recovery %
1	November, 2014	3329.330	590.625	161.473	17.74	4.85
2	December, 2014	1510.470	276.690	98.257	18.32	6.51
3	January, 2015	1799.650	327.015	87.285	18.17	4.85
4	February, 2015	1703.960	344.365	82.642	20.21	4.85
5	March, 2015	2822.800	547.000	136.907	19.38	4.85
6	April, 2015	4276.800	775.865	207.427	18.14	4.85
7	May, 2015	6572.720	1118.320	318.779	17.01	4.85
8	June, 2015	10853.000	1524.340	526.374	14.05	4.85
9	July, 2015	12044.000	1988.900	584.141	16.51	4.85
10	August, 2015	15033.000	2483.810	729.105	16.52	4.85
11	September, 2015	14612.000	2559.370	708.687	17.52	4.85

12	October, 2015	9520.220	1809.420	461.731	19.01	4.85
	Total	**84077.950**	**14345.720**	**4102.808**	**17.06**	**4.88**

6. After taking into consideration of the above facts and after careful examination of the matter, Government hereby fix the following formula for the pricing of Oil Palm Fresh Fruit Bunches with effect from 01-11-2015 to 31-10-2016(Oil Year) under section 13 (1) of the AP Oil Palm (Regulation of Production and Processing)Act 1993:-

"13.02 percent of net Crude Palm Oil (CPO) weighted average price realized by the APOILFED, Pedavegi Unit based on OER% of 17.31% (the average of last year OER % of 17.55% and OER % of 17.06% during 2014-15 oil year at AP Oil Fed Factory Pedavegi, West Godavari district unit of AP) Plus 75.25 percent on 9.76 % recovery of Palm Nuts weighted average price realized by APOILFED".

7. The Commissioner of Horticulture, Government of Andhra Pradesh shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY
EX.OFFICIO SECRETARY TO GOVERNMENT (H&S)

To
The Commissioner of Horticulture, Govt. of AP, Hyderabad.
The Managing Director, APOILFED, Hyderabad.
Copy to:
The Oilpalm Developers and Processors Association
(through Commissioner of Horticulture, A.P., Hyderabad)
The A.P State Oilpalm Farmers welfare Association
(through Commissioner of Horticulture, A.P., Hyderabad)
The P.S. to the Joint Secretary to Chief Minister.
The P.S Minister for Agriculture & Horticulture.
SF/SC.

// FORWARDED BY ORDER //

SECTION OFFICER